



Rules and Ancillary Document Review Checklist

Document Reviewed (include title): **WAC 458-20-230 Statutory limitations on assessments.**

Date last adopted: **1/8/1993**

Reviewer: **PAT MOSES**

Date review completed: **1/21/2000**

Is this document being reviewed at this time because of a taxpayer or business association request? (If "YES", provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request). **YES** ☐ **NO** ☒

Type an "x" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Explain the goal(s) and purpose(s) of the document:

- ◆ **This rule describes the legal limitations that have been placed on the assessment and correction of taxes owed. The rule is written to clarify the application of the statutes regarding time limitations on assessments and corrections. It also identifies those circumstances under which the department may request that a taxpayer complete a statute of limitations waiver. By making these limitations and circumstances clear to both taxpayers and departmental staff, taxpayers have a degree of certainty and finality concerning their tax liabilities.**

2. Need:

YES	NO	
X		Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?)
	X	Is the document obsolete to a degree that the information it provides is of so little value that the document warrants repeal or revision?
	X	Have the laws changed so that the document should be revised or repealed? (If the response is "yes" that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)
X		Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington's citizens? (If the response is "no", the recommendation must be to repeal the document.)

Please explain.

- ◆ **Understanding the statutory limitations on assessment and correction of taxes can be confusing. There are many possible sets of circumstances. This rule explains the department's procedures and gives examples of how they apply in varied situations.**



Improved understanding by both departmental staff and taxpayers promotes consistent tax administration.

3. Related ancillary documents, court decisions, BTA decisions, and WTDs: Complete

Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an ancillary document. Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered ancillary documents.

(a)

YES	NO	
	X	Are there any ancillary documents that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any ancillary documents that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that provide information that should be incorporated into this rule?
X		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?

(b)

YES	NO	
		Should this ancillary document be incorporated into a rule?
		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that affects the information now provided in this document?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?

If the answer is “yes” to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

The following document contains information that could be incorporated into this rule.

- ◆ **17 WTD 213 (1998) – The statute of limitation does not bar assessment of successorship liability. Successorship liability is a general liability of a taxpayer that is acquired by a successor. The successor’s liability is measured from the date that it incurred a liability as a successor.**

4. Clarity and Effectiveness:

YES	NO	
X		Is the document written and organized in a clear and concise manner?
X		Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
X		Is the document providing the result(s) that it was originally designed to



		achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities, help ensure that the tax law and/or exemptions are consistently applied?)
	X	Do changes in industry practices warrant repealing or revising this document?
	X	Do any administrative changes within the Department warrant repealing or revising this document?

Please explain.

- ◆ **This rule is relied upon by taxpayers and departmental staff to determine time limits for taking certain actions. A review of administrative decisions (WTD's) relating to this rule indicates that the rule is reasonable, clear, and to the point.**

5. Intent and Statutory Authority:

YES	NO	
X		Does the Department have sufficient authority to adopt this document? (Cite the statutory authority in the explanation below.)
X		Is the document consistent with the legislative intent of the statutes that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed to implement ?) If "no", identify the specific statute and explain below. List all statutes being implemented in Section 9, below.)
	X	Is there a need to recommend legislative changes to the statutes being implemented by this document?

Please explain.

- ◆ **RCW 82.32.300 authorizes the Department of Revenue to make and publish rules.**

6. Coordination: Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

YES	NO	
	X	Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain.

- ◆ **The taxes affected by the time limitations defined in Rule 230 are the specific domain of the Department of Revenue.**



7. Cost: When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
	X	Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer “yes” only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.)

Please explain.

- ◆ **This is an interpretive rule that imposes no new or additional administrative burdens on businesses that are not already imposed by the law.**

8. Fairness: When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

YES	NO	
X		Does the document result in equitable treatment of those required to comply with it?
	X	Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
	X	Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.

- ◆ **This rule aids taxpayers by giving specific definitions, instructions and examples. The rule also promotes consistent and fair application of tax liabilities and corrections by agency staff.**

9. LISTING OF DOCUMENTS REVIEWED: (Use “bullets” with any lists, and include documents discussed above. Citations to statutes, ancillary documents, and similar documents should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).)

Statute(s) Implemented:

- ◆ **RCW 82.32.050** Deficient tax or penalty payments -- Notice -- Interest -- Limitations.

Ancillary Documents (i.e., ETAs, PTBs, and ADs):

Court Decisions:

- ◆ **Paccar v. Department of Revenue, Thurston County Cause No. 91-2-017595-3 (1991)**



Board of Tax Appeals Decisions (BTAs):

- ◆ **BTA Docket No. 46189 (1996)** – Assessments or correction of assessments for additional taxes, penalties, or interest due are not held to a four-year time limit against unregistered taxpayers, per RCW 82.2.050(3)(a).

Administrative Decisions (e.g., WTDs):

- ◆ **17 WTD 213 (1998)** -- The statute of limitation does not bar assessment of successorship liability. Successorship liability is a general liability of a taxpayer that is acquired by a successor. The successor's liability is measured from the date that it incurred a liability as a successor.
- ◆ **18 WTD 188 (1999)** – Taxpayers must strictly comply with RCW 82.32.060 or the Department of Revenue cannot make a tax refund.
- ◆ **18 WTD 316 (1999)** – The statutory refund period starts when the tax in question is paid and is limited to the amount of tax actually paid within the statutory period.
- ◆ **19 WTD 101 (2000)** – In general, the assessment period may be extended when retail sales tax is collected and not remitted to the state. An exception occurs when sales tax is not separately stated from the selling price and collected from the buyer. In that case the assessment period may not be extended unless the Department shows that the failure to remit sales tax was the result of fraud or misrepresentation.

Attorney General's Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

10. Review Recommendation:

_____ Amend

_____ Repeal

_____ **X** Leave as is

_____ Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.)

_____ Incorporate ancillary document into a new or existing rule. (Subject of this review must be an ancillary document and not a rule.)



Explanation of recommendation: (If recommending an amendment of an existing rule, provide only a brief summary of the changes you've identified/recommended earlier in this review document.)

The rule accurately represents the current interpretation of the statute of limitations. 17 WTD 213 (1998) contains information that the Department should consider adding when Rule 230 is next revised, but there is no need to revise this rule at this time.

11. Manager action: Date: _____

_____ Reviewed recommendation _____ Accepted recommendation

_____ Returned for further action

Comments: